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Chris Grannell looks inside the world of on-demand content and consumer behaviour.

Navigating content: paralysed by choice.

The prospect of a global market for on-demand content is both seductive and terrifying. Once material is routinely made available in digital form, its distribution – and the way we respond to it – will mirror the way that we currently handle text and images on the internet.

Those tempted to dismiss this scenario as far-off science fiction could do well to consider the following:

- US website Movielink is a service offering full feature film downloads from a number of studios including MGM, Paramount, Sony, Universal and Warner Bros. Consumers pay to download the material on their computer, from where they can burn to a DVD and transfer to the lounge television.
- UK operator Homechoice offers a vast range of films and other programming – from recently-broadcast soap operas to sports events – through the BT telephone network and a modem connected to the TV. Material is then freely available for subscribers to watch at a time of their choosing.
- Here in Australia, Canberra-based telecommunications operator TransACT offers on-demand films from Australia-based VOD and Singaporean Anytime. Once again, customers control their own access to content, which is delivered when they want it, via a TransACT set-top box.
- A different model is being planned by Adelaide-based Adam Internet, which is currently testing what it describes as a 'Movies on Demand' service. Like the TransACT product it will be delivered to broadband customers from a central server, but it will provide content that can be watched either on a home PC or television.
- The digital distribution of audio content is already far ahead of video, thanks to lower bandwidth requirements and the popularity of mp3 players. According to Apple CEO Steve Jobs, there are more than 8000 audio downloads (or 'podcasts') regularly updated and distributed over the internet. This is in addition to the millions of music tracks available for sale online.

The impending arrival of widespread audio and video distribution without a broadcasting schedule is a revolution in the making.

But for the revolution to take hold, a number of barriers must be overcome. The availability of a broadband infrastructure capable of transporting large data packets easily and quickly is one. Another concerns the willingness of studios to support the distribution of content via electronic means.

One thing is certain. Economics will ensure that both of these barriers are addressed in time. Domestic broadband is finally taking off in Australia and, at the same time, the owners of media assets have (reluctantly) agreed to participate in online stores like Apple's iTunes, BigPond Music or Movielink.

The final barrier, which may yet prove the hardest to address, is the consumer. The prospect of audio or video content becoming available on a self-select basis assumes that consumers will want to self-select in the first place. Let's not forget, it is notoriously difficult, to predict consumer behaviour in the face of technological change, and the stuff that excites geeks does not necessarily translate into consumer frenzy.

In the world of text and pictures we are already used to being in charge. We've been browsing books and magazines since long before the internet – we're familiar with being proactive about when and what we read. The idea of reading Harry Potter in half-hour instalments according to someone else's schedule would be crazy. Not so with video.

Unlike words and pictures, video has been subject to tight delivery constraints ever since it was first developed. Sure, you can go and grab a DVD, but only if the material is available in that format and if there's a shop nearby. Most video content is still only watched when a centralised channel decides to play it. The 'broadcast' nature of audio and video content has given rise to a 'turn on/veg out' consumption pattern.

For video and audio, the distribution model is predominantly a push one. That is, material is pre-selected by a broadcaster, and then presented to the consumer within a particular framework of channel and timeslot.

Jump forward to a world without this structure, and now video content starts to feel terrifying. No more putting down a book to watch TV. No more getting up early to hear a radio show. No reason not to gorge yourself

silly by downloading the entire series of *Desperate Housewives* rather than waiting until next week.

Content owners and distributors will spend the next few years readjusting to the characteristics of the changing marketplace. Already, network operators are starting to write down the value of their film assets based on considerations like these. Judging from recent moves, it appears that hit series like *The OC* are more dependable for broadcasters than films (to which consumers may already have access via other means).

But when technological and legal barriers have been finally overcome and video programming is widely available for consumers to browse and choose at will, what might the next phase of the media market look like? What will widespread VOD (video on demand) mean for the consumer?

Facing overwhelming content overload, many consumers may simply wish to recreate the old push consumption environment. Many consumers actually want to reduce choice. To see this phenomenon in action, just watch the way that consumers gravitate towards the 'Chart CD' section in a music store or the 'Top 10 Fiction' section in a bookshop.

The experiences of early VOD providers overseas indicate that when a customer is expected to choose their own content – i.e. to pull it towards them – they are uncertain how to react. This suggests that helping consumers navigate content will be key to the future media environment – with two likely consequences.

The first is that the new media environment will be a breeding ground for new types of media brand – those that help us navigate content. The second likely consequence is that broadcast delivery, though technically outdated, will most likely remain a key plank of the media landscape.

Where might navigation – or aggregation – brands emerge from? For niche players, there is a clear logic here. Establish yourself as the brand for a particular community or interest group, and suddenly you have an aggregation platform. Even within the existing broadcast model, US TV companies are already talking about launching home-grown non-English video content for immigrant communities. But think about the sheer quantity of English-speaking content. It's huge. Without a broadcast schedule, who will chunk it down into more manageable pieces?

Many brands in today's media space could evolve into trusted aggregators of specific content types. The Discovery Channel, for instance, has international recognition and credibility resulting from its impressive catalogue, which runs to feature film documentaries as well as TV-grade footage. Make the same content on an on-demand basis underneath a Discovery Channel endorsement, and this makes a lot of sense.

But while future aggregator brands will play outside of today's channelised structure, they probably won't turn their back entirely on broadcasting. Consumer attitudes to podcasting may give us an indication of how this market will develop. The big distributors of podcasts are actually broadcasters – the ABC for instance. Their brands are already established, and their content already familiar from broadcast radio. It is interesting that the recommended list of 'quality' podcasts from podcastbunker.com includes content from a range of well-known brands – not only BBC, CNN, NBC and Triple J, but also NASA and the Royal Society for the Protection of Birds (RSPB).

Moreover, it seems likely that many consumers will simply fail to ever connect with the notion of on-demand. If so, an on-demand or narrowcast platform will never completely negate the notion of push content.

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We shouldn't forget that TV's push model is precisely part of its appeal. Many TV shows owe their very existence to the fact that they are pushed out to consumers with certain time-frames. Turn on, disengage brain – you don't need to do anything. Self-selection challenges this.

The future will see powerful brands come to dominate the way we navigate content. Some will be familiar from today's broadcasters (or publishers or portals) out of which they will evolve. Others will be well-known brands representing particular consumer interests – like NASA and the RSPB. Most will be international – although there will be a case for local aggregators whose content portfolio represents or resonates with a particular target group.

But broadcast will not disappear for ever: Unless consumer behaviour changes out of all recognition, many media brands will become hybrids straddling both broadcast and on-demand environments. **M**